

2021

The Impacts of Small Business

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Ataalla, Sandra, "The Impacts of Small Business" (2021). *Goal 8: Decent Work and Economic Growth*. 1.
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The Impacts of Small Business

Sandra Ataalla

09 April 2021

Thesis:

Georgetown County needs to continue to support and encourage more small businesses, that will help promote the County economy with Sustainable Development Goals: Goal 8 Economically and Goal 9 Sustainable Industrialization and Foster Innovation. Focusing on how small businesses can benefit Georgetown County, as well as how small businesses make a big impact globally.

- I. Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all (UN SDG 8)¹.
 - a. Increase of economic productivity
 - b. Increase of employment and inclusion
- II. Goal 9: Build Resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (UN SDG 9)².
 - a. Financing small-scale business
 - b. Maintaining public interest in Georgetown County
 - c. Mercom's innovation as IT firm

Mercom Corporation:

Mercom Corporation is a technology firm for the Federal Government, located in Pawleys Island, specializing in providing innovative solutions to federal clients. Mercom is a Women Owned Small Business, whose role is providing and fostering innovation to government agencies and making a difference in creating innovation and national security. Infrastructure, networking information, networking security, cloud solutions, cyber solutions, and video

¹ United Nations. Sustainable Development Goal 8. N/A.

² United Nations. Sustainable Development Goal 9. N/A.

teleconferencing, are some of the service Mercom provides. Mercom is a prime example of how strong of an impact a small business can be, not only locally but globally.

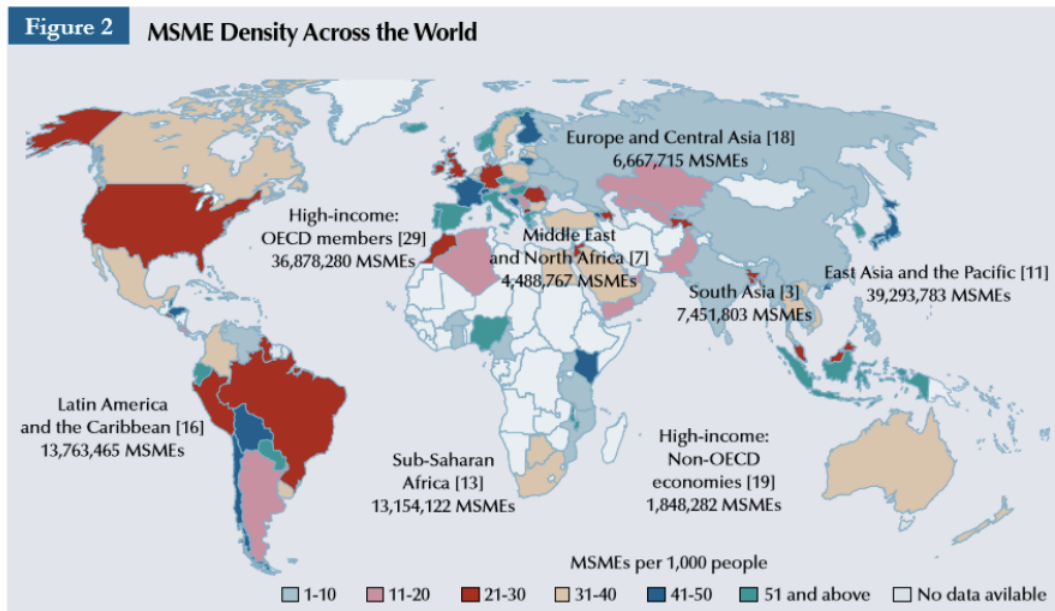
Even though Mercom is an IT firm and clients are not typically local, Mercom contributes to Pawleys Island. In 2014, Mercom had a successful year, which then lead owner and CEO Stella Mercado to donate 150,000 to local schools and nonprofits to Pawleys Island³. Specifically donating 50,000 to Coastal Montessori Charter School, \$45,000 to teach My People Christian Youth Center, \$35,000 to Lowcountry preparatory School, \$25,000 to Startup.SC.⁴. Since Mercom is an IT service it allows them to ship out its products globally and have resources that possibly larger companies cannot easily have. This allows for government agencies to receive their equipment faster and with increased global awareness this helps environmental impacts and allows for people to look out for more quality and reusable factors: not sticking with the same company. ?

Mercom not only promotes the county locally but has national and global impacts. Since Mercom is an IT firm they help innovative the government by providing technology to clients within Defense, Intelligence, Healthcare, and Civilian markets. Federal clients that are in the United States or internationally. They help promote not just innovation but national security, a crucial part of our nation. A small business, ranging in 9-12 employees located in Georgetown County has impacts that reach to a global level.

³ Georgetown Times. **Garden Party helps kids' Local IT company donates \$150K to schools, nonprofits. Aug 20,2020.**

⁴ Georgetown Times. **Garden Party helps kids' Local IT company donates \$150K to schools, nonprofits. Aug 20,2020.**

Sustainable Development Goals 8 and 9:



Sources: MSME Country Indicators.

Note: Name of region [#] signifies the number of economies from the region included in the analysis. The figure uses the most recent data available after the year 2000. The figure uses data for 116 economies.⁵

Small businesses are a huge part of achieving the UN Sustainable Development Goals (SDG). The map above displays the number of economies by each region and how the economy is growing as more Medium-small enterprises (MSME) emerges⁵. First focusing on Goal Eight: promoting inclusive and sustainable economic growth employment and decent work for all and to build resilient infrastructure. Goal Eight targets increasing economic productivity; by developing more small businesses locally this allows growth within a county. The map above displays the number of economies by each region and how they economy is growing as more Medium-small enterprises (MSME) emerges⁶. Setting a chain reaction to improve the county

⁵ Medium. Small Businesses Make a Big Impact on Sustainable Development. Jacob Devaney 2018

⁶ Medium. Small Businesses Make a Big Impact on Sustainable Development. Jacob Devaney 2018

locally then essentially allowing that to affect the economy nationally—until globally the economic productivity increases. Another way small businesses achieve Goal Eight is creating more jobs. Unemployment is an indicator for SDG Nine, small business provides employment opportunities to people who might not be able to work for larger corporations⁷.

Sustainable Development Goal Nine: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation⁸, targets technology development. This is what fosters innovation and creativity locally and globally for developing countries. Mercom Corporation is a prime example of spreading innovation and how a small business has global impacts: such as national security. The Small Business Administration office of advocacy released that roughly 2/3 of small businesses create the drive of US innovation and competitiveness and 44% of U.S. economic activity derived from small businesses⁹.

Case Studies:

Sustainability for small businesses is the goal to achieve SDG Eight and Nine. The United States Environment Protection Agency (UEPA) researched ‘Smart Steps to Sustainability for Small Businesses’, which studied the ways a small business to approach stability correctly¹⁰. The UEPA intention is to help small businesses go past “environmental compliance” and into sustainability practices¹¹. This study captures the importance to realize, understand, explore, and

⁷ Academy4SC. **Sustainable Development Goal 8: Decent Work and Economic Growth.** n/a

⁸ United Nations. Sustainable Development Goal 9. N/A.

⁹ U.S Small Business Administration. **Small Businesses Generate 44 Percent of U.S. Economic Activity. Jan 30, 2019**

¹⁰ United States Environmental Protection Agency. Smart Steps to Sustainability 2.0. N/A

¹¹ United States Environmental Protection Agency. Smart Steps to Sustainability 2.0. N/A

develop into sustainable small business. A chart with the information provided of this study is depicted below to highlight the importance of understanding sustainability¹².

Realize	Understand	Explore	Develop
The impact your business has on the environment	The political and regulatory forces that are encouraging sustainable business practices.	Opportunities to help your business to become more sustainable.	And implement a strategy to minimize your impact and share your efforts with your customers.

The Chartered Institute of Management Accountants created a case study about small and medium size enterprises from the UK, US and Canada called ‘SMEs Set their Sights on Sustainability Case Studies’. This case study focuses on how small business that are “founded on sustainability as their fundamental guiding principles...have the power to start a process that can transform entire industries”¹³. Targeting the importance of how small business are increasing suitability as a priority “Small businesses are leading the way in terms of shaping how business will be in the future,” says Suzanne Fielden, co-founder of Rocky Mountain Flatbread¹⁴.

An example used in this case study is the Ecological Fibers that was founded in 1972. This company provides environmentally sound coverings that are manufactured not only respecting the environment, but also prioritizing their employees¹⁵. Georgetown County can relate to this with a couple of environmentally friendly small business: development bags to sell

¹² United States Environmental Protection Agency. Chart. N/A.

¹³ American Institute of CPAs. SMEs Set Their Sights. N/A. Page 9

¹⁴ American Institute of CPAs. SMEs Set Their Sights. N/A.

¹⁵ American Institute of CPAs. SMEs Set Their Sights. N/A. Page 10

to reduce the intake of plastic bags Georgetown County uses, recycling, and just locally shopping. The advice from this case study focuses on ensuring that the small business look for innovative interpretations of recycling¹⁶. This concept can used in other small business. Innovation fuels creativity, like Mercom, innovation is constantly a principle that is used.

Another small business that was mentioned was Cirtronics, who uses sustainability and directly gives back locally. “Smaller companies often give more than big companies. Their ownership is local, so they give more time and money to local community groups. That builds the community, which is very important. There is a positive effect on the company and its employees of building stronger, healthier communities, but we don’t need to see a tangible return” says George Mandragoras¹⁷, the CFO of Cirtronics. Cirtronics support their local community through donating, funding, or offering office space¹⁸. Mercom relates my hosting and donating to Georgetown County.

Georgetown County relating to Small Business:

Georgetown County can benefit from small businesses by supporting and encouraging small businesses, it is important for not only the small business owners but for the community itself. Small businesses are more likely to give back to local businesses such as banks, service providers, schools, etc.¹⁹. Georgetown County has always shown their support to small business and should continue to Support and encouragement toward small businesses increases the

Data needed here. How many small bus to strategize to support them.

¹⁶ American Institute of CPAs. SMEs Set Their Sights. N/A. Page 11

¹⁷ American Institute of CPAs. SMEs Set Their Sights. N/A. Page 21

¹⁸ American Institute of CPAs. SMEs Set Their Sights. N/A. Page 22

¹⁹ Medium. **The small businesses giving back during the coronavirus crisis! Work for Good. April 29, 2020**

chances for money to stay in the community; statistically the Business Association and EU Department of Labor the reports say that every \$100 a small business spends \$68 will stay in the community²⁰. Small businesses also increase employment allowing for Georgetown County to have more jobs available to the community.

Environmentally supporting small businesses is environmentally friendly because they have smaller carbon footprint than any larger company²¹. Georgetown County ways to support and encourage small businesses to grow in the county goes a long way for Georgetown county's economy. A couple ways that people can support Georgetown County small businesses is go to a local gym, purchase a birthday present at a small business, local restaurant, local mechanic.

support this evidence

Global Impact:

Small business has a big impact globally, they account for almost 70% of global employment and according to the World Economic Forum 70% of global employment and four out of five jobs created in emerging markets come from small to medium sized small businesses¹. Small companies have a big impact globally, Mercom Like mentioned above being a prime example of this. The United Nations in the World Trade Organization continued to make compelling cases for small to medium sized small businesses to emphasize the growth of the nation. Expanding small businesses and helping and assisting them to grow and create more jobs and to foster innovation benefits globalization's and therefore helping the world's economy.

If we think about most organizations worldwide small businesses are a majority and their importance to be developed is to help the economy to improve. According to the World Trade

²⁰ Forbes. **5 Benefits of Shopping Locally on Small Business Saturday.** Lisa Wirthman. November 20, 2017.

²¹ Green America. 9 Ways Small Business Can Reduce Carbon Emissions. Mary Meade. October 12, 2020.

Organization small to medium sized businesses represent over 90% of business population meaning that 70% of employment is in developed economies so they are a huge attribution to global economy, some describe like they are the economy itself.

The United States is home to more than 28 million small businesses this is roughly around 57 million workers, small businesses are the country's main job creators even more than large businesses said they World Economy Forum. When a large business hires, they usually have positions to just replace departing employees however with small businesses they add growing jobs and new employees on the market and expand people's ability to be qualified for a job

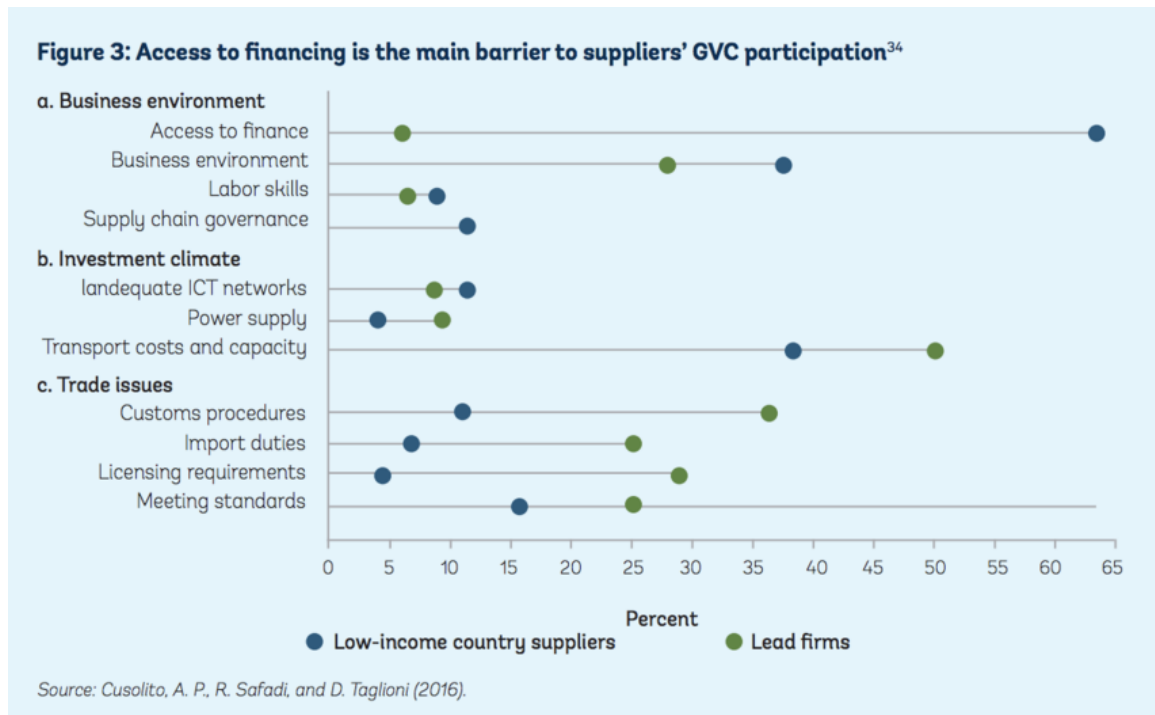
Another point that should be highlighted is the impact of the COVID-19 pandemic and how it impacted millions of small businesses throughout the nation negatively²². The federal government has allocated emergency lending money to the Small Business Administration, roughly \$350 billion²³. Grants and loans are typically the first thing a small business needs during a disastrous economic crisis, since it may bring a small business financial stability. Many states, such as Ohio and Oregon have launched Small Business Rent Relief fund to help support small business during an ongoing economic crisis. The COVID-19 Relief and Recovery Fund, an effort of organizations across coastal counties of South Carolina, including Georgetown awarded grants to small businesses. The total grants given were more than \$1,576,685 go support nonprofit food/health services and supporting small business throughout the COVID-19 Pandemic. The funds awarded specifically to Horry and Georgetown counties were \$528,147²⁴.

²² Institute for Local Self-Reliance. **How State and Local Governments Can Help Small Businesses During the Coronavirus Pandemic. 8 April 2020.**

²³ Waccamaw Community Foundation. **Grantees of COVID-19 Relief & Recovery Fund expand shelter, food access & more in Coastal SC. 2020-2021**

²⁴ Waccamaw Community Foundation. **Grantees of COVID-19 Relief & Recovery Fund expand shelter, food access & more in Coastal SC. 2020-2021**

The grants allowed small business to recover from the unexpected economic crisis Georgetown experienced. Having more emergency funding saved for crisis like COVID-19 allow for more small business to feel secured during a time of crisis, therefore encouraging more people to start more small businesses²⁵. Small businesses are essential to the health of the U.S. economy, as they account for approximately 50% of all jobs and 99% of all firms²⁶.



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The data below is collected by the Small Business Credit Survey of 2021, this is a sample of current small businesses revenue statics from the COVID-19 pandemic. A wide range of responses are visible, and this survey also asked if this small business received funding and those

²⁵ Institute for Local Self-Reliance. **How State and Local Governments Can Help Small Businesses During the Coronavirus Pandemic. 8 April 2020.**

²⁶ We Forum. **Smaller businesses lack the financing to be sustainable. Here's how we can help. Leora Klapper. 08 Nov 2017.**

²⁷ We Forum. **Smaller businesses lack the financing to be sustainable. Here's how we can help. Leora Klapper. 08 Nov 2017. Chart**

answers varied as well. The small businesses that answered that they business are doing poorly is mostly likely due to not receiving proper funding²⁸.

Difficult to read

C238 Current financial condition						
A	B	C	D	E	F	G
Universe	Survey topic	Survey question	Survey question response	Estimate (%)	Survey question sample size	
2008	\$100K or less	Performance & Challenges	Revenue change, prior 12 months	Decreased	79	1522
2102	\$100K or less	Performance & Challenges	Revenue change, prior 12 months	No change	7	1522
2113	\$100K or less	Performance & Challenges	Revenue change, prior 12 months	Increased	15	1522
2123	\$100K-\$1M	Performance & Challenges	Revenue change, prior 12 months	Decreased	81	4387
2133	\$100K-\$1M	Performance & Challenges	Revenue change, prior 12 months	No change	8	4387
2143	\$100K-\$1M	Performance & Challenges	Revenue change, prior 12 months	Increased	11	4387
2153	\$1M-\$10M	Performance & Challenges	Revenue change, prior 12 months	Decreased	76	2991
2163	\$1M-\$10M	Performance & Challenges	Revenue change, prior 12 months	No change	9	2991
2173	\$1M-\$10M	Performance & Challenges	Revenue change, prior 12 months	Increased	15	2991
2183	More than \$10M	Performance & Challenges	Revenue change, prior 12 months	Decreased	63	414
2193	More than \$10M	Performance & Challenges	Revenue change, prior 12 months	No change	12	414
2203	More than \$10M	Performance & Challenges	Revenue change, prior 12 months	Increased	25	414
2213	\$100K or less	Performance & Challenges	Employment change, prior 12 months	Decreased	40	1432
2223	\$100K or less	Performance & Challenges	Employment change, prior 12 months	No change	47	1432
2233	\$100K or less	Performance & Challenges	Employment change, prior 12 months	Increased	13	1432
2243	\$100K-\$1M	Performance & Challenges	Employment change, prior 12 months	Decreased	47	4335
2253	\$100K-\$1M	Performance & Challenges	Employment change, prior 12 months	No change	45	4335
2263	\$100K-\$1M	Performance & Challenges	Employment change, prior 12 months	Increased	9	4335
2273	\$1M-\$10M	Performance & Challenges	Employment change, prior 12 months	Decreased	49	2975
2283	\$1M-\$10M	Performance & Challenges	Employment change, prior 12 months	No change	38	2975
2293	\$1M-\$10M	Performance & Challenges	Employment change, prior 12 months	Increased	13	2975
2303	More than \$10M	Performance & Challenges	Employment change, prior 12 months	Decreased	42	410
2313	More than \$10M	Performance & Challenges	Employment change, prior 12 months	No change	32	410
2323	More than \$10M	Performance & Challenges	Employment change, prior 12 months	Increased	27	410
2333	\$100K or less	Performance & Challenges	Current financial condition	Poor	35	1548
2343	\$100K or less	Performance & Challenges	Current financial condition	Fair	37	1548
2353	\$100K or less	Performance & Challenges	Current financial condition	Good	21	1548
2363	\$100K or less	Performance & Challenges	Current financial condition	Very good	5	1548
2373	\$100K or less	Performance & Challenges	Current financial condition	Excellent	2	1548
2383	\$100K-\$1M	Performance & Challenges	Current financial condition	Poor	22	4434
2393	\$100K-\$1M	Performance & Challenges	Current financial condition	Fair	38	4434
2403	\$100K-\$1M	Performance & Challenges	Current financial condition	Good	26	4434
2413	\$100K-\$1M	Performance & Challenges	Current financial condition	Very good	10	4434
2423	\$100K-\$1M	Performance & Challenges	Current financial condition	Excellent	4	4434
2433	\$1M-\$10M	Performance & Challenges	Current financial condition	Poor	21	3015
2443	\$1M-\$10M	Performance & Challenges	Current financial condition	Fair	29	3015
2453	\$1M-\$10M	Performance & Challenges	Current financial condition	Good	27	3015
2463	\$1M-\$10M	Performance & Challenges	Current financial condition	Very good	17	3015
2473	\$1M-\$10M	Performance & Challenges	Current financial condition	Excellent	8	3015
2483	More than \$10M	Performance & Challenges	Current financial condition	Poor	11	417
2493	More than \$10M	Performance & Challenges	Current financial condition	Fair	19	417
2503	More than \$10M	Performance & Challenges	Current financial condition	Good	24	417

Source:
Policy Recommendations & Conclusion:

Small businesses have a big impact on communities. With small businesses comes an increase in local jobs available in communities they reduced the amount of traveling and commuting employees would need to do to get to a work in large compared to large corporations. Which also benefits the environment by less carbon footprint involved in commuting. Economically with the revenue that small businesses give to the community the money gets fed back into local economy which gives money back into the community itself rather than going to a large corporation. A recommendation I would give to Georgetown County is to continue to incorporate small business more into the local government decisions to ensure

²⁸ U.S Small Business Administration. Small **Businesses Generate 44 Percent of U.S. Economic Activity. Jan 30, 2019**

that small businesses are important and advertise well to the community. For example, inviting small business owners to participate in government meetings decision making processes for the community. Encouraging small businesses to participate in local advertisements services that attract large audiences.

Small business plays a huge part in the United States economy, therefore prioritizing small businesses may bring economic growth. Georgetown County continuing to support and encourage small businesses goes a long way for Georgetown county's economy. Ways that people can support Georgetown County small businesses, can be even simpler: go to a local gym, purchase a birthday present at a small business, local restaurant, local mechanic, etc.!

thesis 5/5
SDGs 6/10
Global 10/10
County 5/10 - more data on sm. bus. in
the County needed. What does the
chamber of econ. devel. do?
empir. evid. 6/5 - interviews would have
been helpful
writing - 10/10
org. 10/10
biblio & cit. 5/5
lit. lan studies 10/10
reco's 8/10 - more detail

85/100

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